

THE NEW ECONOMY. THE END OF CERTAINTIES

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Tiberiu Brăilean

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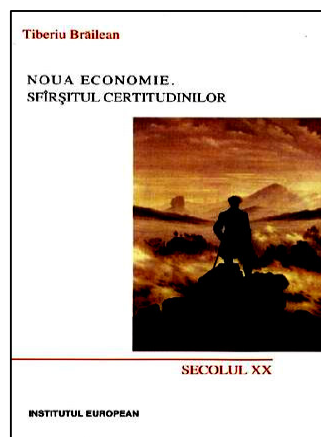
Tiberiu Brăilean's book, *"The New Economy. The End of Certainties"*, issued in 2005 in European Institute Publishing House, is a perfectly accessible book, this comes as one of the author's merits.

The central topic of this book, seeks to highlight the process and the historical moment in which the world in the economic area can be found, changes of concepts, new faces and sizes, new transformations occurring at the end of the XXth century and the beginning of the new millennium, new economic international order to which we aim.

Interested by the circulation of ideas in society, the author presents, debates on, goes into details and also touches subjects referring to a new beginning, to the transgression into a new axial era, in search of a new meaning, to the will to enter a new history, without knowing where we're getting into and where we're going, to the tendency that cannot be stopped to the unique thinking which is in fact the zero thinking, as a result of the globalization process, with which we contemporary.

Tiberiu Brăilean, an authorised voice of the economic phenomena, science to which the book is dedicated, the classical concept of economy that undergoes certain fundamental changes, the economy is itself in a moment of conceptual reinvention and adaptation to the new worldwide reality: globalization, internationalisation, interaction of the antagonistic political systems, fight over the natural resources. All these determine a continual transformation of ideas and definitions and a new approach of the recession tendencies or, according to each case, an economic explosion on the millennium threshold.

The emphasis is on the economic crisis that cannot be solved without identifying the causes of their production. The author tries to contradict the object of the economic science which as it is known is that to do well and towards more and more wealth, the main wealth being work. The power and enrichment will, *taking a bow and serving money as if it were a god*, manifested more and more critical is thoroughly criticized by Tiberiu Brăilean. He takes in discussion the similarity between *the money* and *the blood from a nation's body*, analogy that is often met in the economic system and the human body.



The passing in between the millenniums is considered as an apocalypse year. The apocalypse in its financial expression, stands for a result of the decay of the *homo oeconomicus*, and its replacement in time with *homo americanus*.

In his view, the XXIst century is a religious one, attaching the hand of God to the *invisible hand* where the *homo oeconomicus* is but an actor. He dubs the *homo oecumenicus* eager to have wealth with the *homo passivus* precautionous so as to avoid losses.

The author can't help not to notice a crisis of the *human* conscious, *where man is looking for the meaning of life beaconing through the obscurity of the spiritual night*. The world is considered an illusion, the conscious is real and resides on *beings in various states of the consciousness, until he manages to define his personality, stepping in the limelight*. The history of the humankind and the economic thinking regroup themselves, other new concepts and thinking patterns are sought, a *renovation perpetuum of the world* is wanted, both due to the negative manifestations in economy and also due to the fact that the economic science cannot solve them.

Nowadays the economic science is formulated in a *multitude of microcosmic entities*, the economists are compared to *the court treasurers*, when they find it hard to understand each others, due to an inexistent strategic thinking. The troubles in economy represent a cause of the *narrowing specializations* and of the more and more frequent arguments between the economists; basic concepts such as: labour, market, capital, company all have different meanings in their vision as a consequence of the inter or pluri-disciplinary analysis. *It is said that labour and capital are the ying-yang in economy, that the father is the capital and the mother is labour*. Furthermore, the author reminds us of the tendency of technologising it all, perhaps we can say of excessive formalization of the economic science in the detriment of the pure thinking, of the more frequent loss of the object of study.

The author wants to underline the lack of economic thinking, emphasizing the tendency to lend economic ideas that tend to lead to unsolved problems in economy, *the economist is drifting away and he tries to adapt to the needs*. Sometimes it is necessary for the economy science to become multi-dimensional, the economist cannot adapt by himself using his *allotment visions*. Everywhere there is a lack of vision which accompanies the inadaptation to the new reality.

Furthermore, the author brings forth the evolutions and the involutions which, from the point of view of the perception of time are recognized in the historical economical thinking as cyclic manifestations, the economy having as a whole an ascendant trend. The small or massive cyclicity of the economic phenomena, having as an example the model of the circle or the model of the square, wants to explain the manifestations that take place in the universe, as well as those that organize life has attracted many times the attention in the economic and financial studies. These phenomena have a double-folded cause: a natural and sometimes a providential one.

The book carries on and explains the economy of 2000 seen from a mythical point of view, death being identified with the spiritual poverty, boastful, the obscurity, features which are more and more common; the social structures are reconsidered, the speculative actions are developing, nature is affected, illnesses do not have an antidote, there's a nuclear proliferation looming.

After 2000 passed, the attention is drawn on the internationalization, towards the economic dominations, the world is lead by *so few, but so strong masters*, while the sovereign states are more and more affected. The political leadership remains at the level of an *illusion*, the world culture fills the world with *messages*, the death of *ideologies* is already happening, the modern and communication technologies take their place slowly but surely, and at a general level there is a tendency of decreasing the economic growth, turbulences and real financial shocks are manifested in different parts of the world, USA is no longer the main gear worldwide.

The current stage implies that the virtues are considered a criterion of the tradition in the detriment of the criterion of the reason. Traditions trigger who we are and not what we want or choose to be. The main virtues are explained by different visions from the point of view of an individual and holistic rapport.

The book presents further on the *new politeia*, a concept launched in the 1960s by Margaret Thatcher and Ronald Reagan, who are *the third way* when regarded as a mixture of the previous doctrines, a transitory doctrine where everything seems to be possible. The liberal doctrine finds similarities between the state and the market under various names: *market economy*, *market society*. The essential qualities of the liberal doctrine are demonstrated and the accent is on the importance of the idea and the innovation characterized as an *impulse of the hazard*.

We find ourselves, the author states so, in front of the processes of regionalization, globalization and internationalization which constitute practically an assault against the state, the victories heading to the multinational companies. We are here facing a paradox which manifests itself as a result of the globalization, showing both its benefic effects to the third world – *the outcasts of progress*. It is a tendency towards internationalization of the unions, to a new international division of labour.

At this point we assist to a redefining, *the world is stranded like a lost sheep who is unable to find its Shepherd and who forgot His teachings*. The internationalization does not represent *a disaster which tumbles spaces and devours identities*. *It can be a salvation from indolence and incompetence of the former public or private leaders*. *Internationalization, globalization do not threaten identity, it merely generates it*. Soros knows that globalization is inevitable but wants controls over process. *What Keynes represents to the national economies post-war, Soros persists in becoming for the global economy to be*.

At this stage the right to intellectual property is emphasized, the equality of chances, the encouraging of initiatives and the free competition as well are encouraged, the initial training and continual training, private enterprises, the accent is on the amount of capital of goods, services and last but not least of the people to the capital feasibility. The liberal doctrines values are brought in discussion, the changes that take place in the economic thinking, *we witness a scarcity of the economic thinking*, which is no near the social component, the accent is placed on the importance of producing ideas as a main source of power. Two enigmas of the world are discussed: China and Russia.

Perhaps it should be wise to pinpoint the fact that we are living *in a new cycle of development, in the infinite cosmic spiral*, where we can't help ourselves not noticing the increasing use of the suffix *post*, as a *new medieval age*, that in this period a new rebirth is happening, that it is necessary a redefinition of concepts that produce a society of knowledge. The new economy, *the new politics is in its childhood*, the accent is placed on

new technologies, the information technology represents the last form of the market economy, the administration is affected by the impact of the new technology.

The author notices that in this period of time there are evolutions manifested and discoveries in biotechnologies, there is hope of victory over illnesses such as cancer and other grave sufferings, that there will be new medicines to cure, new genetic therapies, the perspectives of cloning represents a will of the man to be stronger. These discoveries should be used rationally and positively, if contrarily, they can jeopardize the humankind.

The new economy supports itself on the principle of durability as well, that must put emphasis on the human being first, to reduce the inequities, that after the year 1960 have increased drastically. We can say in this way that *we witness a scarcity of the economic thinking*, which is no near the social component. The new economy is led by *the real masters of the world* who control the financial market, the media, the information technology industry and the genetic technology as well. The *virtual senate* of the great financiers is shaping up who, by use of simple funds transfers, set the trend in the economic policies worldwide.

Transformations happen in justice as well, *the man trying to replace the divine law with own code, a relative, subjective and degenerated one*. We assist at a corruption of the politics where decisions are made backstage. The man is cynical regarding the politics, isolating himself in the private domain, thinking of finding *shelter away from the citadel's whirlpool*.

Another problem that manifests itself in this new beginning, is the excessive movement of the capitals, the amount of transactions that rose, the financial crisis that are more and more frequent, the effort of reimbursement, a dependence on the financially powerful countries is manifested, especially in the third world and ex-communist countries that have serious problems in managing the external debts. Reducing the interest rates, and even annulling parts of the debt would lead both to the positive extreme – investments in health, education environment and also to the negative extreme – investments in arms. *The more a country invests in the human capital, the more it means durable development, the more its external debt would progressively drop, even wipe out*.

It is said that at the beginning of this century the stepping into a third era of development is marked. The problem is on the concentration of capitals, *Marx's prophecy that was demonstrated*. The largest part of concentrated capital of 90% is held by only five states: USA, Germany, France, UK, Japan.

A tendency to escape of the capital towards the so-called *fiscal paradise* is manifested, the unique taxation is sought which has not yet been agreed by the largest transnational companies. The techonogical development gave rise to a *cyberspace* – a trade area of information technology that escapes all taxation, speculation is at home, and the trend is *to throw some sand on the slippery roads of the financial speculation*, in order to restrain the likelihood of tax evasion by imposing three taxations: the unit profit tax, the direct foreign investments tax, and the Tobin duty.

We notice that in this new economy there is a new leading class represented by the financial groups, the counseling and juridical groups, leaving aside the state and the multinational companies – the *overclass*. Characteristic for this class is the *cultural deflation*. The author characterizes this class with ostentation (an ultimate manifestation of

the capacity to ruin your keen), insignificant (though diminished by the political power, its aim is to remain or to rise again for power). The author remarks with irony a dissolution of the greatest political ideologies, *one cannot be a specialist in politics unless you live in Romania, where we meet with a real inflation of political analysts*. In politics, it commonsensical not to always say what you think.

NASA's slogan *faster, smaller, cheaper* fully explains the enthusiasm in technologies. Each industrial revolution was determined by a wide span innovation, one that carries a name. *What James Watt and his steam engine once represented, or Thomas Edison and electricity, now it is represented by Bill Gates and the internet*. It is true that those who won't be able to reduce the costs and increase productivity, shall see their profits collapse in the spectrum of the bankruptcy.

It is the beginning of virtual economy and the end of the economy delimited by the vital and biological exigencies, the end of a circuit which generates the beginning of a new one. The internet has two key sources: it is instant and has the capacity to copy ad infinitum. In the virtual world, words weigh much more than things do. The Internet is presented with its drawbacks too, *where the criminal is hiding inside the victim's brain*. The new technologies affect on the other hand private life too so we can say *we are all in conditioned freedom, more and more connected*.

The book speaks further on about the new masters of the world, the masters of the world economy and of the capital movements and the global market that impose their cultural values, such as a *Mickey mouse, the Donald duck, Music Television (MTV) and CNN, Mc Donald's enclosure and Disneyland are all icons of the new universal culture*. The new society based on the cult of elites slides towards *subpeople and superhumans*. For the new people – those who have *know-how* elements such as religion, the culture becomes marginal, their identity is a professional one first of all, they become a species for whom *the look* is an *ideology or better said a videology*. The products sold are images, logos, visual industry creates a new sensibility, *Mcword* culture is almost irresistible and is a society in which we are no longer citizens, but consumers. The production factor of the new economy is the information.

At the end of his book, the author presents economic, cultural, political elements from many corners of the world.

Germany – a model for the 3rd millennium, what used to represent in the past its armed force, is today the economic power; *the Germany of today is not the Germany of tomorrow*.

Switzerland – *a nation with clean sidewalks, but with a dirty consciousness* – Pierre Hazan.

China – the country which will come into power, the yellow race according to the occult sources, a country which is just starting to be visible, although at present it is a mere *troubled sea*. China offers the world as interesting and as challenging sight through the communist – capitalist experiment.

Japan – the second economic power of the world, an *ikebana of the economy* has transgressed a great crisis after the second world war, and it is about to immerge out of it as an uncommon country. It is characterized by a great fear of unemployment, which is considered an enormous smear, leading to suicidal attempts. In both the academic and the business world a gap is enlarging. In order to immerge out of this crisis Japan considers that a change of mentality is necessary as a solution to the development of the new world, the

abandoning of concepts such as *family business*, *anarchy – modernity*, *growth of savings rate*, *the Japanese miracle*. Japan, a country that used to leave the impression by an all powerful country who can buy the entire world, is starting to be bought piece by piece.

India – characterize through an ability of its people to computer science, contributes to the development of a new economy, the Indians represent a quarter of the employees from the Microsoft and a third from NASA. *The Indian people is presented like a tree of life, that strange tree, that grows without roots and that carries its fruits without having bloomed: no branches, no flowers, it is though covered with lotuses. The illusion of hope floats again over India.*

Russia – any change in the Russian government amazes and troubles the world political stage. The current problem is the winning of the political power. Russia is a country that can be bought it is no longer a superpower, it is characterized by a terrible situation, fierce corruption, fiscal evasion, the *ruble* means nothing. With the precious help of the vodka, notices the author, the hope of life from among men has dropped to 50 years. An important issue for Russia is food, the lack of trust in the Russian banking system. For Russia two principles apply: *Help Russia without getting to close to Russia* and *Don't overestimate Russia, but moreover, don't underestimate Russia!*

Brazil – an extremely important country. The stake is high because as Robert Nixon said, *where Brazil goes, the whole Latin America goes.*

Israel – the Jewish draw attention of the whole world nowadays, it suffered almost every time from the recurrent threat of total destruction, but they refused to disappear and was reborn each time, *as if in a miracle*. A disoriented society, a fragmented one, affected by all sorts of fears and frustrations, it can be easily manipulated. Coming from the ghettos from all over the world, the Jews had had difficulties with their keen, a united people, we can talk about a crisis to adapt, the complex phenomena of internationalization. *The Jewish people never yielded history, but history yielded to it.*

Pakistan – a country with a long tragic political history, an over-indebted, with a parallel economy, it is characterized by corruption, delinquency, violence, a profound ideological crisis.

Lebanon – a ruined country, torn by inter confessional conflicts. Lebanon – *the cedar trees country*, tends to become the economic and financial pole that once used to be. It is a unique country and a very beautiful one that is awaiting for its prophet.

Egypt – a people characterized through having changed the centralized economy into a market economy, it grew rapidly to be *a real tiger on the Nile*. The social inequities are characteristics of Egypt and they tend to become more and more obvious. A great problem of Egypt is the political authoritarianism, the regime seems to be in sclerosis, the society is full of tensions, frustrations, resentments, terror, the society is threatened by a financial *crash (crah)*, the speculative activities have grown unprecedentedly, a country on the verge of an abyss, *a country too important for the whole world so that very soon it will be offered a bridge.*

Romania – starting with 1989, Romania wants to immerge from the economic depression, everything is going on tragically, there is a shaken by transformations and reforms atmosphere, which I consider have all been objectively captured by the author: *forms but no substance, supplies and ephemeral institutions improvised, anachronisms in mentalities,*

moralists but no moral, tribunals but no justice, plots but no target, toys but no children, old age but no elders, youth that know it all about sex and nothing about love, an artificial civilization, scatterbrained, in search of an identity...

Romania is described as a country who wasted its precious years that no longer come back, missed real opportunities, shows signs of economic decline, suffering from underemployment, an explosion of prices and massive external mismatching, a reason for which a new start is bound to happen.

Huge deficiencies are manifested in the banking systems considered by the author as if it were *the cardio-vascular system of an economy*, banks often being led by incompetent persons, assigned in key-management positions either through their *in-laws, god-mothers or god-fathers, or mischief, while the real worthwhile people go abroad.*

Another matter that is debated by the author is the universities, that should support through their activities the values that we much praise in our lifetime.

When something goes wrong, one must start with the self. *We, most frequently, tend to point at the other, and forget too often that the other three fingers point towards ourselves, thus disclosing us.*

In an ever changing world at an accelerated speed we stand still or even step back.

It's not in the least trivial to be the poorest people living in the wealthiest country –
Nichifor Crainic.

About the author



Professor Tiberiu Brăilean PhD. teach at The Faculty of Economics and Business Administration within “Alexandru Ioan Cuza” University of Iasi

He perform times of grounding probation in:

- Liege, Belgium - 1994
- Iena, Germany - 1998
- Lausanne, Switzerland - 1998
- Paris, France - 2000

He published at European Institution Publishing House:

- *Monetarismul în teoria și politica economică*, Iași, 1998
- *Istoria doctrinelor economice* (vol. I). De la antici la neoclasici, Iași, 2000
- *Globalizarea. Numele nimeniului*, Iași, 2003

Others published books:

- **Brăilean Tiberiu** - *Iașul centru regional*, Polirom Publishing House, Iasi, 1997
- Luțac Gheorghe, Popescu Cristian, Ișan Vasile, **Brăilean Tiberiu** - *Economie. Teste, probleme, răspunsuri*, Sedcom Libris Publishing House, Iasi, 1999
- Chirlesan Dan, Prodan Adriana, **Brăilean Tiberiu**, Manolescu Irina Teodora - *Management în administrație*, Sedcom Libris Publishing House, Iasi, 2000
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